

## PATENT COOPERATION TREATY

## PCT

## INTERNATIONAL PRELIMINARY EXAMINATION REPORT

(PCT Article 36 and Rule 70)

Applicant's or agent's file reference 5266.01	<b>FOR FURTHER ACTION</b> See Notification of Transmittal of International Preliminary Examination Report (Form PCT/IPEA/416)	
International application No. PCT/US00/15810	International filing date (day/month/year) 09 JUNE 2000	Priority date (day/month/year) 09 JUNE 1999
International Patent Classification (IPC) or national classification and IPC IPC(7): H04N 7/10 and US Cl.: 725/34, 35		
Applicant DISCOVERY COMMUNICATIONS, INC.		

1. This international preliminary examination report has been prepared by this International Preliminary Examining Authority and is transmitted to the applicant according to Article 36.

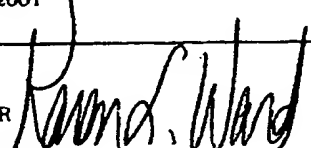
2. This REPORT consists of a total of 5 sheets.

☐ This report is also accompanied by ANNEXES, i.e., sheets of the description, claims and/or drawings which have been amended and are the basis for this report and/or sheets containing rectifications made before this Authority. (see Rule 70.16 and Section 607 of the Administrative Instructions under the PCT).

These annexes consist of a total of 0 sheets.

3. This report contains indications relating to the following items:

- I ☒ Basis of the report
- II ☐ Priority
- III ☐ Non-establishment of report with regard to novelty, inventive step or industrial applicability
- IV ☐ Lack of unity of invention
- V ☒ Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement
- VI ☒ Certain documents cited
- VII ☐ Certain defects in the international application
- VIII ☐ Certain observations on the international application

Date of submission of the demand  09 JANUARY 2001	Date of completion of this report  08 SEPTEMBER 2001
Name and mailing address of the IPEA/US Commissioner of Patents and Trademarks Box PCT Washington, D.C. 20231	Authorized officer  JOHN W. MILLER 
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## INTERNATIONAL PRELIMINARY EXAMINATION REPORT

International application No.

PCT/US00/15810

## I. Basis of the report

## 1. With regard to the elements of the international application:\*

- ☒ the international application as originally filed
- ☒ the description:  
pages 1-91, as originally filed  
pages NONE, filed with the demand  
pages NONE, filed with the letter of \_\_\_\_\_
- ☒ the claims:  
pages 92-116, as originally filed  
pages NONE, as amended (together with any statement) under Article 19  
pages NONE, filed with the demand  
pages NONE, filed with the letter of \_\_\_\_\_
- ☒ the drawings:  
pages 1-43, as originally filed  
pages NONE, filed with the demand  
pages NONE, filed with the letter of \_\_\_\_\_
- ☒ the sequence listing part of the description:  
pages NONE, as originally filed  
pages NONE, filed with the demand  
pages NONE, filed with the letter of \_\_\_\_\_

2. With regard to the language, all the elements marked above were available or furnished to this Authority in the language in which the international application was filed, unless otherwise indicated under this item.  
These elements were available or furnished to this Authority in the following language \_\_\_\_\_ which is:

- ☐ the language of a translation furnished for the purposes of international search (under Rule 23.1(b)).
- ☐ the language of publication of the international application (under Rule 48.3(b)).
- ☐ the language of the translation furnished for the purposes of international preliminary examination (under Rules 55.2 and/or 55.3).

## 3. With regard to any nucleotide and/or amino acid sequence disclosed in the international application, the international preliminary examination was carried out on the basis of the sequence listing:

- ☐ contained in the international application in printed form.
- ☐ filed together with the international application in computer readable form.
- ☐ furnished subsequently to this Authority in written form.
- ☐ furnished subsequently to this Authority in computer readable form.
- ☐ The statement that the subsequently furnished written sequence listing does not go beyond the disclosure in the international application as filed has been furnished.
- ☐ The statement that the information recorded in computer readable form is identical to the written sequence listing has been furnished.

4. ☒ The amendments have resulted in the cancellation of:

- ☒ the description, pages NONE
- ☒ the claims, Nos. NONE
- ☒ the drawings, sheets/fig NONE

5. ☐ This report has been drawn as if (some of) the amendments had not been made, since they have been considered to go beyond the disclosure as filed, as indicated in the Supplemental Box (Rule 70.2(c)).\*\*

\* Replacement sheets which have been furnished to the receiving Office in response to an invitation under Article 14 are referred to in this report as "originally filed" and are not annexed to this report since they do not contain amendments (Rules 70.16 and 70.17).

\*\*Any replacement sheet containing such amendments must be referred to under item 1 and annexed to this report.

## INTERNATIONAL PRELIMINARY EXAMINATION REPORT

International application No.

PCT/US00/15810

**V. Reasoned statement under Article 35(2) with regard to novelty, inventive step or industrial applicability; citations and explanations supporting such statement****1. statement**

Novelty (N)	Claims <u>1-127</u>	YES
	Claims <u>NONE</u>	NO
Inventive Step (IS)	Claims <u>1-127</u>	YES
	Claims <u>NONE</u>	NO
Industrial Applicability (IA)	Claims <u>1-127</u>	YES
	Claims <u>NONE</u>	NO

**2. citations and explanations (Rule 70.7)**

Claims 1-127 meet the criteria set out in PCT Article 33(2)-(4), because the prior art does not teach or fairly suggest that set forth in independent claims 1 and 20, namely a method for targeting advertisements to subscribers in an electronic book distribution system in which an electronic book having advertising spot locations is provided with one or more advertisement spots for each of the locations in accordance with a spot retrieval plan. The prior art further fails to teach or fairly suggest that set forth in independent claim 30, namely a method for targeting advertisements to subscribers in an electronic book distribution system in which a package of targeted advertisements, a group assignment matrix, and a retrieval plan are provided to book terminals and stored in memory, one or more electronic books with spot locations are provided to the terminals, and a comparison is made with the group assignment matrix and the retrieval plan to determine advertisements to display in particular spot locations. The prior art further fails to teach or fairly suggest that set forth in independent claim 35, namely a method for assigning targeted advertisements to multiple spot locations in an electronic book delivery system in which targeted advertisements are assigned to successive spot locations based on rankings dictated by the groups of viewers associated with target categories of targeted advertisements. The prior art further fails to teach or fairly suggest that set forth in independent claim 37, namely a method for targeting advertising to at least one subscriber in an electronic book order and distribution system in which data associated with the electronic books which have been read is analyzed and correlated to advertisement categories for the purpose of transmitting advertisements to subscribers. The prior art further fails to teach or fairly suggest that set forth in independent claim 54, namely a method for targeting advertisements to a plurality of electronic books in which a primary and an alternate advertisement are assigned to a book from a package of advertisements, and in which each viewer is assigned to a group to create a group assignment matrix such that a retrieval plan is generated instructing viewers to select an advertisement from memory for display based on the group (Continued on Supplemental Sheet.)

**VI. Certain documents cited****1. Certain published documents (Rule 70.10)**

<u>Application No. Patent No.</u>	<u>Publication Date (day/month/year)</u>	<u>Filing Date (day/month/year)</u>	<u>Priority date (valid claim) (day/month/year)</u>
US, A, 5,957,695	28 SEPTEMBER 1999	15 FEBRUARY 1996	NONE
US, A, 5,986,690	16 NOVEMBER 1999	07 NOVEMBER 1994	NONE
US, A, 6,034,680	07 MARCH 2000	30 APRIL 1997	NONE
US, A, 6,052,717	18 APRIL 2000	23 OCTOBER 1996	NONE

**2. Non-written disclosures (Rule 70.9)**

<u>Kind of non-written disclosure</u>	<u>Date of non-written disclosure (day/month/year)</u>	<u>Date of written disclosure referring to non-written disclosure (day/month/year)</u>
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**Supplemental Box**

(To be used when the space in any of the preceding boxes is not sufficient)

Sheet 10

Continuation of: Boxes I - VIII

V. 2. REASONED STATEMENTS - CITATIONS AND EXPLANATIONS (Continued):  
assignment. The prior art further fails to teach or fairly suggest that set forth in independent claim 58, namely a system that targets advertisements to electronic books comprising an electronic book database, an advertisement database, a retrieval plan generator, a group assignment engine, and memories within the respective terminals from which retrieval plans are retrieved for dictating the display of advertisements. The prior art further fails to teach or fairly suggest that set forth in independent claim 62, namely a targeted advertisement management system comprising a server that receives requests for electronic books and provides the books for delivery to terminals, a subscriber collection engine that obtains subscriber data and generates profiles, a subscriber information database for storing the profiles, a configuration set up system to group terminals according to profiles, and an advertisement generation system and a retrieval plan generator for generating and retrieving a plan for the display of particular advertisements. The prior art further fails to teach or fairly suggest that set forth in independent claims 82 and 121, namely a method for targeting advertisements in an electronic book by identifying electronic book subscribers, defining advertising spots in the book, and assigning advertisements to the spots based on the identity of the subscriber. The prior art further fails to teach or fairly suggest that set forth in independent claim 123, namely a method for assigning targeted advertisements to multiple spot locations in an electronic book delivery menu system in which plural spots are identified, targeted advertisements are assigned to categories which are divided into groups of users, spot locations are ranked based on target categories and/or a percentage of total viewers in each group, and advertisements are assigned to the locations. The prior art further fails to teach or fairly suggest that set forth in independent claim 127, namely an apparatus that targets advertisements to subscribers in an electronic book distribution system first and second databases for books and book menu data, respectively, and a processor that determines advertisement spots and assigns advertisements based on the identity of the subscriber.

As for the prior art, the Hendricks et al (5,600,573) reference does not make reference to an electronic book distribution other than to make reference to a later published related application, and fails to teach or suggest advertising within the electronic book distribution system environment.

Further, the Fernandez (4,855,725) reference discloses electronic books, however within the personal computer as opposed to the distribution system environment. The reference also fails to teach or suggest advertisements within electronic books, whether targeted or otherwise.

## ----- NEW CITATIONS -----

US 4,855,725 A (FERNANDEZ) 08 August 1999, see whole document.

US 5,600,573 A (HENDRICKS et al) 04 February 1997, see whole document.